

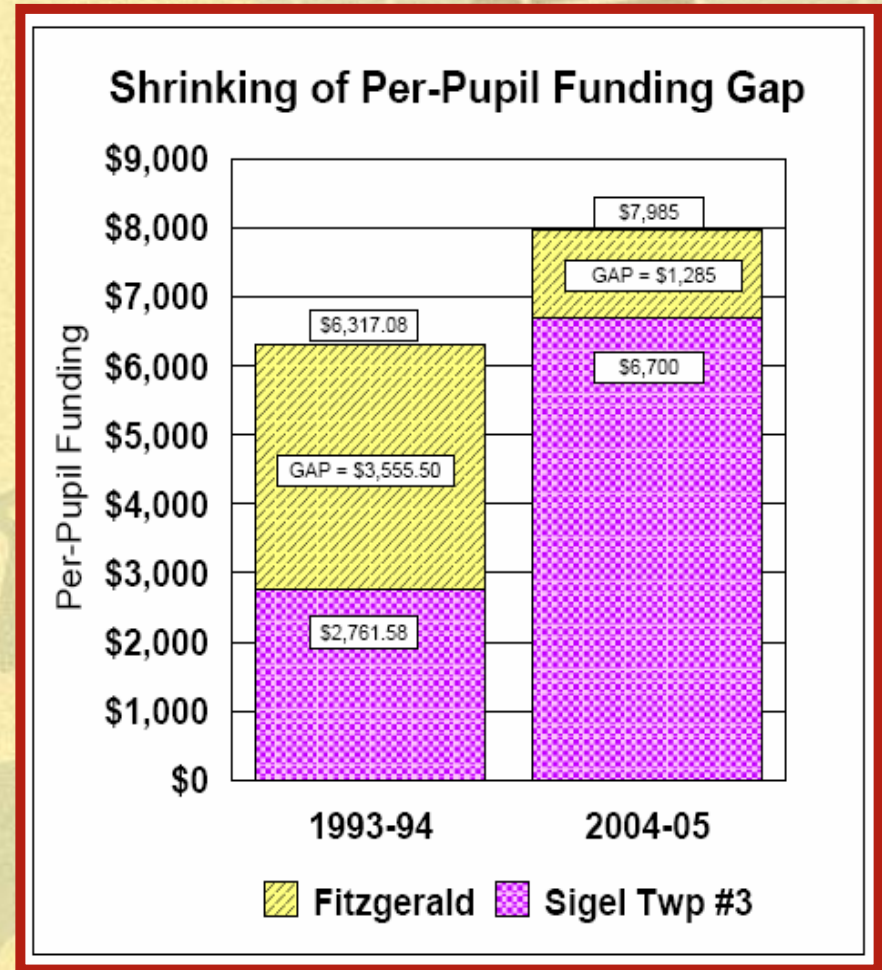
Before Proposal A

- Very unequal school funding from district to district.
- No cap on property taxes at the rate of inflation.
- Some residents, especially senior citizens, were being taxed out of their homes.



Proposal A Background

- In 1994, Michigan voters approved Proposal A which cut property taxes while increasing the sales tax to 6%. It cut funding inequality.
- The chart shows funding changes between the state's highest and lowest funded districts.



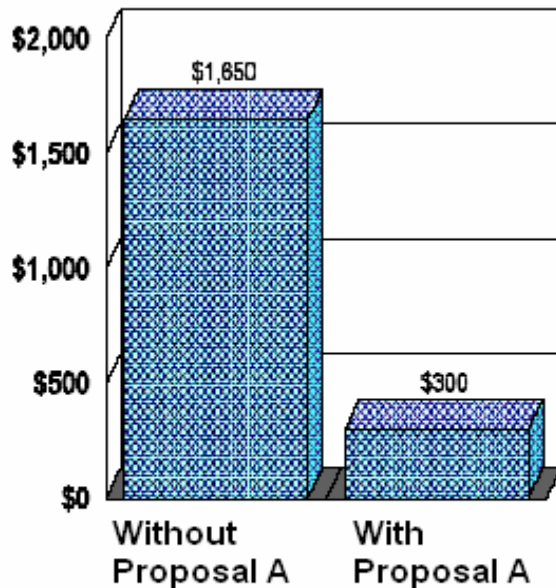
Source: Senate Fiscal Agency

Proposal A Background

- Since Proposal A, total education funding has increased 41%, surpassing the inflation rate of 27% during that time period.
- Between FY 1995 and FY 2003, per-pupil funding minimums increased at 2.5 times the rate of inflation.

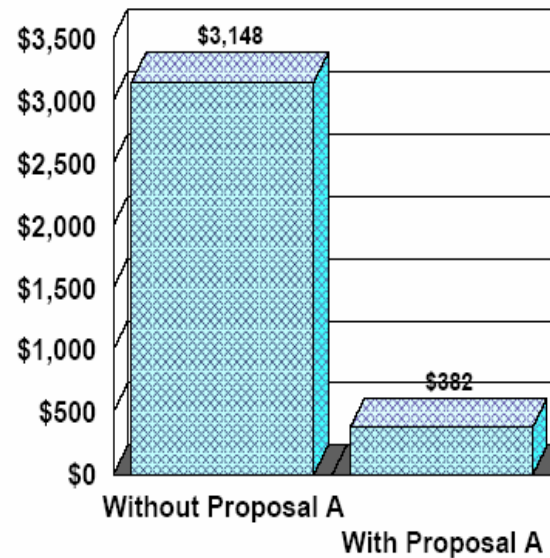
Proposal A Comparison

Operations Taxes Paid on Home Valued at \$100,000



Average operational mills in 1993 were 33.
Most homeowners today pay 6 mills for operations of schools.
Most businesses today pay 24 mills for operations of schools.

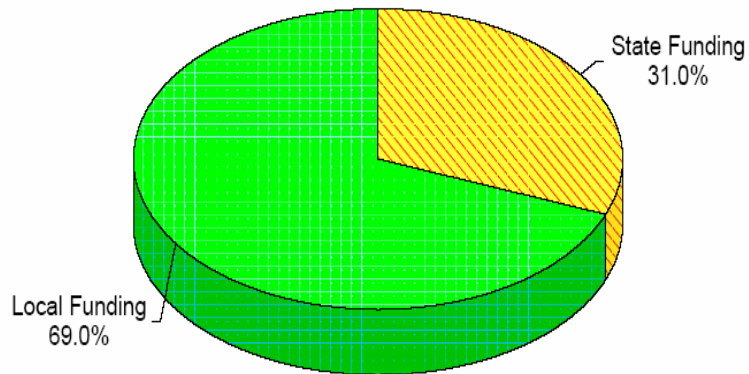
**Operations Taxes Paid on Home Valued at \$100,000 in 1993
Same Home Valued at \$190,800 in 2005**



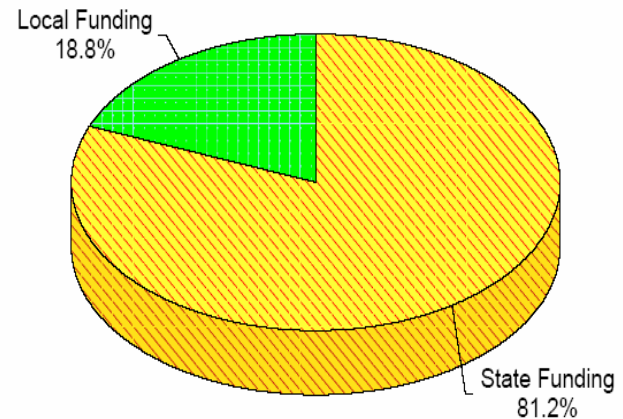
Source: Senate Fiscal Agency

Proposal A Comparison

State/Local Funding Mix Before Proposal A



State/Local Funding Mix After Proposal A



Source: Senate Fiscal Agency